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STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES
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SEPTEMBER TRENDS

Wage & Salary Index..129.3 down from 130.0 in Aug.
Unemployment Rate.....9.0% down from 9.1% in Aug.
Seasonally Adjusted Rate.....10.1%
U.S. Seasonally Adjusted Rate.....7.5%

AUTUMN BRINGS FALLING PROSPECTS FOR REGIONAL ECONOMY

Last month instability characterized the U.S. economy as indicators continued to flow in a negative direction. Auto sales and home starts both slid further into a bottomless pit. Car sales fell 35% in the first 10 days of October to the lowest level for domestic makes in this period since 1957. Home sales in August fell 14% to the lowest one-month level since the depths of the 1980 recession.

Other indicators were also off. Factory orders were down by 1.9%, construction spending declined 1.6%, and unemployment for the Nation rose to 7.5% (seasonally adjusted), the highest level in five months. All this means another recession; a so called double-dipper.

The recession of 1980 primarily hit the construction and auto industries. It now appears other industries that were not seriously damaged during 1980 are now feeling the chill. These include appliance, semiconductor, aluminum, manufacturing, the airlines, and trade industries.

Signs indicate that economic improvement will be a minimum of six months away for the nation. However, folks in the Pacific Northwest may have to wait a year for these same improvements.

The lumber-dependent Pacific Northwest continues to await mortgage rates in the 10 to 12% range, meanwhile the number of jobless workers continues to rise. The economic deterioration is reflected in August unemployment rates for the three Pacific Northwest states.

Unemployment rates (not seasonally adjusted) *

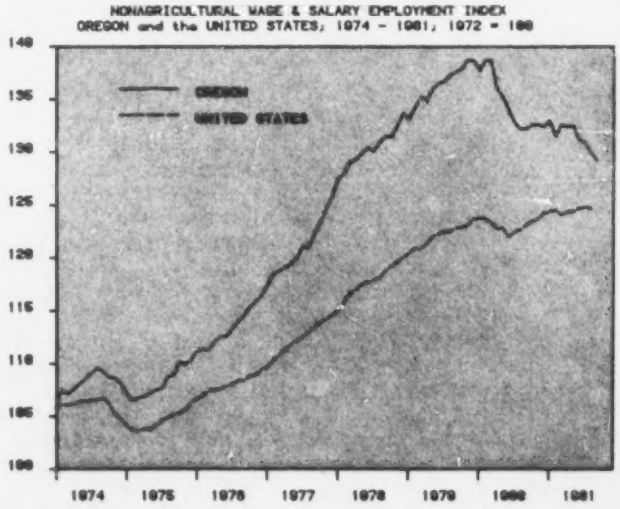
	Aug. 1981	Aug. 1980	Aug. 1979
Idaho	5.9%	8.0%	5.0%
Oregon	9.1	8.0	6.1
Washington	8.9	7.1	6.1

* August unemployment rates are used in this comparison since comparable September rates were not available for all states.

Although the 1981 rates are not strictly comparable to those of the previous years, the trend is evident. Only Idaho's August 1981 rate is puzzling. This is due to an estimating fluke rather than any economic reality. All of the above jobless rates are an indication of the economic well-being for a typical week of the month. The week including the 12th day, in some instances this "typical" week is not so typical afterall, as was the case in Idaho's August figures. Evidently Idaho's economy was not plagued by the normal lumber layoffs during this "typical week" so the true economic situation was not reflected in their jobless rate.

Both lumber and wood products and construction employment dropped since the spring of 1980 in all three states. In all, approximately 35,000 lumber and wood products jobs have been eliminated since August 1979. This accounts for a 23% employment drop in lumber and wood products jobs in Oregon, and a 20% drop in lumber and wood products jobs in both Idaho and Washington.

Construction employment also fared poorly, as Oregon dropped 29% of its construction jobs, Washington 20%, and Idaho 18%. In total, approximately 35,000 construction jobs were also lost in the region. In only two industries, the Northwest lost 70,000 jobs in the past two years!!



As jobs tumble in the above two industries, weakness has also started to be seen in the more stable sectors. Electronics in Oregon and Idaho, and Aerospace in Washington are sending negative signals, a nationwide trend that was indicated earlier. Expansion that was to occur in 1981 is now delayed indefinitely awaiting changes in demand or interest rates.

Down the road, only Washington can boast with optimism of its economic future. The defense oriented Federal budget is sure to lay some hefty contracts on a state with abundant defense oriented establishments. Oregon and Idaho bear no such positive news. The lumber oriented economies of these states will have to wait out the current economic trend. Idaho's economy will be further shocked if Bunker Hill, a silver, lead, and zinc mine in northern Idaho, shuts its doors. The company cited current low demand for its products as the reason; a ripple effect from the auto industry. Bunker Hill employs 2,100 workers. With the indirect job loss counted, the total may reach 8,000 in the area. As one Idaho economy watcher puts it, "with lumber employment already gone, if Bunker Hill goes, they might as well declare northern Idaho a wilderness area." Indeed, only Agriculture and the related food processing industries are providing stability for Idaho's economy. And food processing is not without its troubles. Like Oregon, Idaho's food processors must compete with the Midwest for the prime Eastern markets. With the current high transportation costs and interest rates, this industry could also turn sour.

OREGON'S ECONOMY

The September indicators of Oregon's employment health pointed in a negative direction. The much watched jobless rate, seasonally adjusted, stayed essentially even at 10.1%, up only .1 over the month. Job growth as measured by the nonfarm payroll index dropped for the fourth straight month to 129.3. This indicator, which peaked in February 1980 at 138.7, is currently resting at the winter 1978 level.

The opening of school provided the major reason for job growth in nonfarm payroll employment over the month. These gains were reflected in local government education, transportation, and trade employment. Most other sectors remained relatively quiet in their depressed state.

Within manufacturing, only transportation equipment registered a large gain (+1,300) as the ship building sector rebounded following a strike at the Port of Portland.

Lumber and wood products employment lost a few more jobs in September as the fire season and the economy took their toll. Since August 1979, jobs in this industry are down nearly 23%. In coming months employment will decline even further as winter weather curtails logging operations. Of even greater significance, however, is news that Federal timber contracts may be delayed for two years. This is welcome relief for mill owners who currently operate with no profit margin due to high timber costs and low lumber prices. However the employment picture is not so rosy. In Oregon this move will essentially drive the jobless rate skyward as a larger proportion of logging and mill crews are layed off this winter.

Market forces and weather conditions weighed heavily on Food and Kindred Products. Employment moved lower both over the month and year. When adjusted for normal seasonal changes, employment slid by -1,700.

The rest of manufacturing remains steady, Machinery employment provided a bright spot with 900 new jobs over the year due almost entirely to the electronic calculator and computer sector.

Goods news was also hard to come by in nonmanufacturing. Employment increased by 9,000 over the month. But after adjusting for normal seasonal employment swings, little good appeared. Most employment gains were less than normal overall.

Construction employment moved lower than was seasonally expected in September. Both residential and nonresidential employment contributed to the drop. The table following shows monthly, annual, and two-year changes in the industry.

Oregon Construction Industry

	Over the Month		Over the Year		Two-Year Change	
	Number	Percent	Number	Percent	Number	Percent
General Building - Residential	-300	-5.5%	-1,200	-18.8%	-3,900	-42.9%
General Building - Nonresidential	-100	-1.8	-1,200	-22.2	-2,900	-39.1
Heavy Construction	-200	-2.3	-1,300	-13.3	-3,600	-29.8
Special Trades	-300	-1.3	-2,400	-9.3	-7,500	-24.1

The other sectors reflected increased demand in only the essential areas such as Food Stores and Health services. Government employment, historically a stable industry, began to feel the effects of Reagan economics. Overall, nonmanufacturing neither slipped nor gained significantly from its previous lows.

High interest rates, winter weather and Reagan economics will all share in keeping Oregon's economy at a low ebb through at least mid-1982. Meanwhile the nation has slipped into what will be termed a slight recession; one not deep enough to force interest rates down substantially. Tourism will provide the only strong economic segment to Oregon this winter assuming winter storms provide snow for Oregon's ski resorts.

TJTC EXTENDED

A bright spot for Oregon business is the extension of the Targeted Jobs Tax Credit program (TJTC) for another year. Since May 1979, when TJTC became operational, more than 14,500 individuals have been certified for the program, generating millions of dollars in potential tax credits for their employers. The net savings accruing to the 6,000 participating employers easily exceed $20 million dollars.

Along with the extension, TJTC has been affected by several legislative changes. Among them are:

1. Two new target groups: (a) CETA Public Service Employment (PSE) participants who have been involuntarily terminated since December 31, 1980, and (b) WIN participants and Aid-to-Dependent Children (AFDC) recipients.

2. Full credit (up to two years of qualified wages) is available for all targeted employes to begin work before January 1, 1983.

3. The 30% Federal Unemployment Tax wage limitation will be dropped. This change should be particularly beneficial to small employers who were previously unable to use the full TJTC credit due to payroll size.

4. The age limit (35 years) for disadvantaged Vietnam-era Veterans has been removed.

5. The credit is not allowed for hiring relatives.

Perhaps the most sweeping change affecting the program is that, after September 26, 1981, retroactive certification of current employes will no longer be allowed. Employers will have to request a certification before the employe actually begins work. Employers will still be able to place job orders with the nearest Employment Division office, requesting applicants who have been screened for TJTC eligibility.

OREGON AGRICULTURE TRENDS

Agriculture ranks as one of Oregon's leading industries alongside lumber and wood products. Oregon farmers and ranchers chalked up a record $1.7 billion in gross sales for 1980, up 11% over 1979. Three counties topped $100 million in gross income. Marion County, which has an especially diverse agricultural base, led the group with sales of $195 million.

Rank 1980	Rank 1979	County	1980 Gross Farm Income	Principal Farm Commodities
1	1	Marion	$194,639,000	Vegetables, speciality products grass and legume seeds and dairy products
2	3	Umatilla	155,419,000	Grains, cattle and calves, field crops, and tree fruits and nuts.
3	2	Malheur	137,888,000	Cattle and calves, field crops, grains and vegetables.
4	4	Clackamas	98,755,000	Specialty products, eggs and poultry.
5	7	Morrow	91,203,000	Grains, field crops, hay and silage.

Based on studies by Oregon State University, the income multiplier for agriculture is about three. This means income generated from farm purchases, services to farms, farm employment, farm family expenses and other income with its roots in farming totaled about $5.1 billion (3 times the original $1.7 billion gross farm income).

"Diversity" describes Oregon's agriculture. More than 100 different crop and livestock products originate in the state. This diversity is reflected in the following top 10 agricultural commodities (1979):

1. Cattle & calves
2. Wheat
3. Dairy products
4. Specialty horticulture
5. Potatoes
6. Farm forest products
7. Hay
8. Rye grass seed
9. Pears
10. Chicken eggs

To fill the labor needs of this industry, an average of 35,200 workers were employed during 1980. Due to the highly seasonal nature of many crop activities, employment varies considerably from season to season. Adult employment ranged from a low of 26,300 in January to a high of 47,300 in July. While the total acres of farmland has increased in recent years, the number of workers has declined. The average employment for 1980 was only two-thirds of the 53,400 for 1970.

Reasons for this decline can be traced not only to mechanization, but also to reductions in labor-intensive crops such as pole beans, strawberries and caneberries. The following list illustrates tremendous seasonal employment declines in some of Oregon's harvest activities between 1970 and 1979:

	Harvest Employment	
Crop	1970	1979
Strawberry	46,840	26,280
Pole Bean	41,860	90
Sugar Beet	1,030	80
Raspberry	12,420	3,730
Other Caneberry	22,420	1,620
Cucumber	1,530	630
Onion	2,150	1,150
Filbert & Walnut	1,400	860

Rising labor costs, mechanization, and shortages of suitable farm labor have promoted these trends. Legislative restrictions raising the minimum age that youth can work on farms, minimum wage scales, and restrictions on farm housing all have done their part in reducing the demand and availability of migrant and other farm labor.

Recent gains in the value of the U.S. dollar work against the industry's ability to increase foreign sales. Even so, international trade may well become the Northwest's growth industry. Agricultural exports from Northwest ports to the Orient have grown markedly in the last few years. Because Northwest ports are significantly closer to Oriental ports and because energy costs are rising, the region has a natural economic advantage. These shipments not only include crops such as wheat and fresh fruits from Oregon, Washington, and Idaho, but Midwest grain which is loaded onto barges in Lewiston, Idaho. Recent revisions in rail freight rates have made it increasingly attractive for Midwest farmers to ship their crops west to Lewiston rather than to the Mississippi River.

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RESIDENT OREGON LABOR FORCE

	Sept. 1981 1/	Aug. 1981 2/	Change	% Change	Sept. 1980 5/
Civilian Labor Force 3/	1,327,700	1,327,300	+ 400	0.0	1,276,100
Unemployment	119,300	121,000	-1,700	-1.4	96,600
Percent of Labor Force	9.0	9.1	xxx	xxx	7.6
Seasonally Adjusted Percent	10.1	10.0	xxx	xxx	8.7
Total Employment 4/	1,208,400	1,206,300	+2,100	0.2	1,179,500

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, agriculture, and labor disputants. 5/ Due to revised estimating procedures between December 1980 and January 1981, data for 1981 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Sept. 1981	Aug. 1981	Sept. 1980	Change From Aug. 1981	Change From Sept. 1980
TOTAL 1/	1,020,100 *	1,012,800 *	1,042,100 *	7,300	-22,000
Wage & Salary Employment Index (Seasonally Adjusted)	129.3	130.0	132.0	xxx	xxx
Total Manufacturing	210,200 *	211,900 *	220,800	-1,700	-10,600
Durable Goods	151,500 *	151,600 *	160,900	- 100	- 9,400
Lumber & Wood Products	65,100	65,900	71,100	- 800	- 6,000
Logging & Sawmills	33,700	34,600	37,400	- 900	- 3,700
Veneer & Plywood	18,900	18,800	21,000	100	- 2,100
Millwork & Structural Wood	7,200	7,100	7,200	100	0
Mobile Homes	1,800	1,800	2,000	0	- 200
Other Wood Products	3,500	3,600	3,500	- 100	0
Furniture & Fixtures	2,500	2,500	2,600	0	- 100
Stone, Clay, Glass, & Concrete	4,500	4,600	4,700	- 100	- 200
Primary Metals	10,400	10,500	10,800	- 100	- 400
Blast Furnaces, Iron & Steel	5,900	5,900	6,300	0	- 400
Nonferrous Metals	4,500	4,600	4,500	- 100	0
Fabricated Metals	11,700 *	11,600 *	12,400	100	- 700
Fabricated Structural Metals	4,600	4,500	5,000	100	- 400
Other Fabricated Metals	7,100 *	7,100 *	7,400	0	- 300
Machinery	18,700	18,800	17,800	- 100	900
Electrical Equipment & Supplies	9,700	9,700	9,700	0	0
Transportation Equipment	9,000	7,700	10,100	1,300	- 1,100
Instruments & Related Products	17,500	18,000	19,500	- 500	- 2,000
Miscellaneous Manufacturing	2,400	2,300	2,200	100	200
Nondurable Goods	58,700	60,300	59,900	-1,600	- 1,200
Food & Kindred Products	28,000	29,500	29,000	-1,500	- 1,000
Canning & Preserving	17,700	19,100	18,500	-1,400	- 800
Other Food Products	10,300	10,400	10,500	- 100	- 200
Textile Mill Products	1,800	1,800	1,900	0	- 100
Apparel	2,900	3,000	3,200	- 100	- 300
Paper & Allied Products	10,500	10,600	10,400	- 100	100
Printing & Publishing	9,800	9,800	9,800	0	0
Chemicals & Allied Products	2,200	2,200	2,200	0	0
Petroleum Refining	700	700	800	0	- 100
Rubber & Plastic Products	2,500	2,400	2,300	100	200
Leather Products	300	300	300	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Sept. 1981	Aug. 1981	Sept. 1980	Change From Aug. 1981	Change From Sept. 1980
(cont.)					
Total Nonmanufacturing	809,900 *	800,900 *	821,300 *	9,000	-11,400
Mining & Quarrying	2,400	2,300	2,600	100	- 200
Construction	41,100	42,000	47,400	- 900	- 6,300
Transportation, Communications, & Utilities	59,800	59,700	60,200	100	- 400
Transportation	34,900	34,600	34,900	300	0
Railroad	7,300	7,300	7,300	0	0
Trucking & Warehousing	17,300	17,400	17,100	- 100	200
Other Transportation	10,300	9,900	10,500	400	- 200
Communications	15,600	15,700	16,200	- 100	- 600
Utilities	9,300	9,400	9,100	- 100	200
Trade	257,300	254,800	259,100	2,500	- 1,800
Wholesale Trade	67,700	67,100	69,300	600	- 1,600
Durable Goods	40,000	40,300	42,300	- 300	- 2,300
Nondurable Goods	27,700	26,800	27,000	900	700
Retail Trade	189,600	187,700	189,800	1,900	- 200
General Merchandise	26,400	26,500	27,000	- 100	- 600
Food Stores	25,600	25,400	25,100	200	500
Auto Dealers & Service Stations	23,500	23,500	24,200	0	- 700
Other Retail Trade	114,100	112,300	113,500	1,800	600
Finance, Insurance, & Real Estate	67,100	68,200	69,400	-1,100	- 2,300
Banking & Credit Agencies	24,600	24,800	24,700	- 200	- 100
Other Finance, Insurance, & Real Estate	42,500	43,400	44,700	- 900	- 2,200
Services	192,200 *	192,500 *	191,300 *	- 300	900
Hotels & Personal Services	24,800	25,200	24,500	- 400	300
Health Services	65,300 *	64,300 *	61,900 *	1,000	3,400
Other Services	102,100	103,000	104,900	- 900	- 2,800
Government	190,000	181,400	191,300	8,600	- 1,300
Federal Government	29,200	29,600	29,600	- 400	- 400
State Government	49,200	50,900	51,700	-1,700	- 2,500
Education	19,000	20,100	19,300	-1,100	- 300
Other State	30,200	30,800	32,400	- 600	- 2,200
Local Government	111,600	100,900	110,000	10,700	1,600
Education	65,500	53,400	64,900	12,100	600
Other Local	46,100	47,500	45,100	-1,400	1,000
Labor-Management Disputes	500	500	600	0	- 100

* Excludes 100 or more workers involved in labor-management disputes.

1/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

The single greatest impediment to growth of this export economy appears to be a fee which President Reagan wants to impose on ships and barges using rivers, ports, and navigational locks. On the Columbia River system, for instance, this plan would aim to recover the total costs of dredging the river's mouth, maintenance of the shipping channel and construction of the proposed new lock at Bonneville Dam. These fees would be a major additional cost to shippers along the Columbia-Snake River systems and would remove what natural competitive edge it has over other U.S. ports. There would be no user fee on shipping from deep water ports like Seattle.

This waterway user fee proposal has generated more bi-partisan opposition from the Northwest's delegation to Congress than has any other administration proposal. Senator Mark Hatfield, (R-OR), has recently introduced a bill designed to defeat Reagan's full cost recovery scheme. The Hatfield proposal would spread the cost by placing a small fee on products imported and exported through all U. S. ports.

Waterway user fees are crucial to the future of Oregon's international trade. Even a restless Mount St. Helens isn't as dangerous to the waterway's future as the formula used by the White House for recovering federal costs on inland navigation.

1980 STATE PER CAPITA PERSONAL INCOME

State per capita personal income in 1980 ranged from $12,790 in Alaska to $6,580 in Mississippi, according to the Commerce Department's Bureau of Economic Analysis. Oregon's average of $9,317 fell slightly below the nation's $9,521 average.

In general, the higher per capita personal income states were located in the urbanized northeastern and western parts of the nation. States with a low per capita personal income were in the Southeast and Rocky Mountain areas.

In 1980, per capita personal income in the Far West Region was $10,713--13% above the national average and highest among the eight regions. Per capita personal income was above the national average in each Far West state except Oregon. Per capita income ranged from $10,938 in California--15% ($1,417) above the national average--to $9,317 in Oregon--2% ($204) below the national average. Among all states, California ranked third in per capita income and Oregon ranked 26th.

By definition, total personal income consists of private and government wage and salary payments in cash and in kind, other labor income, farm and nonfarm proprietors' income, personal interest income, rental income of persons, dividends, and transfer payments, less personal contributions for social insurance. It is measured before the deduction of personal income and other personal taxes and is reported in current dollars (no adjustment is made for price changes).

Per capita personal income equals total personal income divided by total population.

Per Capita Personal Income
by States and Regions 1977 and 1980

	Dollars		Percent Change
	1977	1980	1977-80
United States	6,979	9,521	36.4
New England	7,211	10,105	40.1
Connecticut	8,183	11,720	43.2
Maine	5,756	7,925	37.7
Massachusetts	7,283	10,125	39.0
New Hampshire	6,517	9,131	40.1
Rhode Island	6,709	9,444	40.8
Vermont	5,735	7,827	36.5
Mideast	7,476	10,192	36.3
Delaware	7,494	10,339	38.0
District of Columbia	8,676	12,039	38.8
Maryland	7,539	10,460	38.7
New Jersey	8,001	10,924	36.5
New York	7,537	10,260	36.1
Pennsylvania	6,967	9,434	35.4
Great Lakes	7,389	9,779	32.3
Illinois	7,982	10,521	31.8
Indiana	6,859	8,936	30.3
Michigan	7,561	9,950	31.6
Ohio	7,087	9,462	33.5
Wisconsin	6,908	9,348	35.3
Plains	6,831	9,338	36.7
Iowa	6,964	9,358	34.4
Kansas	7,135	9,983	39.9
Minnesota	7,168	9,724	35.7
Missouri	6,571	8,982	36.7
Nebraska	6,800	9,365	37.7
North Dakota	6,122	8,747	42.9
South Dakota	5,867	7,806	33.0
Southeast	5,958	8,111	36.1
Alabama	5,556	7,488	34.8
Arkansas	5,380	7,268	35.1
Florida	6,538	8,996	37.6
Georgia	5,931	8,073	36.1
Kentucky	5,770	7,613	31.9
Louisiana	5,929	8,458	42.7
Mississippi	4,959	6,580	32.7
North Carolina	5,782	7,819	35.2
South Carolina	5,471	7,266	32.8
Tennessee	5,702	7,720	35.4
Virginia	6,882	9,392	36.5
West Virginia	5,847	7,800	33.4
Southwest	6,537	9,284	42.0
Arizona	6,240	8,791	40.9
New Mexico	5,748	7,841	36.4
Oklahoma	6,336	9,116	43.9
Texas	6,709	9,545	42.3
Rocky Mountain	6,580	9,095	38.2
Colorado	7,085	10,025	41.5
Idaho	6,158	8,056	30.8
Montana	6,108	8,536	39.8
Utah	5,810	7,649	31.7
Wyoming	7,522	10,898	44.9
Far West	7,730	10,713	38.6
California	7,858	10,938	39.2
Nevada	7,794	10,727	37.6
Oregon	6,989	9,317	33.3
Washington	7,439	10,309	38.6
Alaska	10,949	12,790	16.8
Hawaii	7,669	10,101	31.7

SOURCE: U.S. DEPARTMENT OF COMMERCE
BUREAU OF ECONOMIC ANALYSIS

WEAKENED WORKWEEK

Oregon's manufacturing production workers continued to suffer declines in average weekly hours. The 0.3 hour drop was the third consecutive monthly decline, and the 37.1 hour workweek was the lowest since April 1980. The picture was not any brighter in hourly earnings a four-cent drop to $9.52. The combined impact of these drops took spendable earnings down to $105.87, a level last seen in early 1967.

In Durable Goods, weekly hours were down in all sectors except Furniture and Fixtures (+1.2). Lumber and Wood Products was down 1.0 hour from July and 4.3 hours from last year. High temperatures and interest rates held sway over Logging and Sawmills (-1.6 hours). Logging and Sawmills and Veneer and Plywood were down 4.7 and 5.2 hours over the year. The other wood products category was also on the chopping block, losing 3.4 hours from last month. The only subsector of Lumber and Wood Products to gain in both hours and earnings was Mobile Homes. Decreases in overtime brought hours down in Primary Metals while earnings increased due to a raise at one of the larger firms.

In Nondurable goods the workweek shrank 0.4 hour as Other Food Products (-1.1) and Paper and Allied Products (-3.0) were down. The latter's decrease was due to less overtime as earnings also plummeted by 31 cents. This decrease in earnings combined with a 24-cent loss in Canning and Preserving (where the influx of seasonal workers continues to pull earnings down) sent hourly earnings plunging by 27 cents an hour. Bright spots occurred in Textiles (+3.5) and Apparel (+5.6) where weekly hours returned to near normal levels after last month's disastrous drop. In addition, Printing and Publishing showed a healthy 33-cent increase in earnings. A pay increase at a larger firm and slightly higher overtime contributed to this rise.

The Nonmanufacturing sector appeared much better than Manufacturing. The only month-to-month losses were in Communications and Utilities (0.6 - hour loss) and Banking and Insurance (an 80-cent loss in weekly earnings). The 42-cent rise in hourly earnings in Communications and Utilities was due to a sizable pay increase in the Communications industry.

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	2/ Aug. 1981	3/ July 1981	Aug. 1980	2/ Aug. 1981	3/ July 1981	Aug. 1980	2/ Aug. 1981	3/ July 1981	Aug. 1980
TOTAL MANUFACTURING 4/	$353.19	$357.54	$344.66	37.1	37.4	39.3	$9.52	$9.56	$8.77
SPENDABLE EARNINGS (1967 Dol.) 6/	105.87	107.83	114.60	N/A	N/A	N/A	N/A	N/A	N/A
Durable Goods	368.63	368.71	359.96	37.5	37.7	39.6	9.83	9.78	9.09
Lumber & Wood Products	369.77	378.96	390.34	35.9	36.9	40.2	10.30	10.27	9.71
Logging & Sawmills	386.54	400.37	408.80	35.3	36.9	40.0	10.95	10.85	10.22
Veneer & Plywood	378.08	380.88	399.19	36.6	36.8	41.8	10.33	10.35	9.55
Millwork & Struct Wood	301.13	292.84	301.85	37.5	35.8	39.1	8.03	8.18	7.72
Mobile Homes	286.58	267.68	291.03	35.6	34.9	36.7	8.05	7.67	7.93
Other Wood Products	345.32	368.16	351.12	35.6	39.0	38.5	9.70	9.44	9.12
Furniture & Fixtures	243.25	235.84	189.22	34.7	33.5	28.8	7.01	7.04	6.57
Primary Metals	461.38	465.20	416.59	39.2	40.0	39.6	11.77	11.63	10.52
Fabricated Metals	354.19	366.70	320.63	37.8	38.6	37.9	9.37	9.50	8.46
Machinery	373.16	370.71	341.62	38.0	38.1	38.0	9.82	9.73	8.99
Nondurable Goods	313.49	326.84	304.54	36.2	36.6	38.5	8.66	8.93	7.91
Food & Kindred Prod	268.73	280.28	272.69	34.9	35.3	38.9	7.70	7.94	7.01
Canning & Preserving	222.77	228.66	243.51	33.2	32.9	38.9	6.71	6.95	6.26
Other Food Products	385.34	390.91	349.44	39.2	40.3	39.0	9.83	9.70	8.96
Textile Mill Products	196.98	182.00	180.96	38.1	34.6	37.7	5.17	5.26	4.80
Apparel	168.98	142.85	162.40	34.0	28.4	34.7	4.97	5.03	4.68
Paper & Allied Products	456.80	504.39	436.40	40.0	43.0	40.0	11.42	11.73	10.91
Printing & Publishing	356.97	346.37	327.96	35.1	35.2	36.0	10.17	9.84	9.11
Construction 4/	547.28	543.27	501.10	35.4	35.3	36.9	15.46	15.39	13.58
Communications & Utilities 5/	403.76	393.22	358.09	39.2	39.8	39.7	10.30	9.88	9.02
Trade 5/	277.32	271.74	252.70	35.6	35.2	35.0	7.79	7.72	7.22
Wholesale Trade	362.55	355.97	321.79	38.9	38.4	38.4	9.32	9.27	8.38
Retail Trade	229.16	225.12	215.14	33.7	33.4	33.2	6.80	6.74	6.48
Banking & Insurance	222.99	223.79	204.37	NA	NA	NA	NA	NA	NA
State & Local Government	296.44	291.84	270.22	NA	NA	NA	NA	NA	NA

1/ Figures are average gross hours and earnings of full and part-time workers worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
2/ Preliminary
3/ Revised
4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
5/ Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.
6/ Production workers earnings after deductions for federal and social security taxes adjusted to constant dollars by the U.S. Consumer Price Index.

AREA ECONOMIC NEWS

CITY OR AREA	COUNTY	
Eastern Oregon		The forests of Eastern Oregon have another insect problem looming. The spruce budworm, which is partial to grand, white, and Douglas fir, has infested approximately 306,000 acres primarily on national forest land. While the most serious infestation is in the Umatilla National Forest near Heppner, other infested areas extend from Prineville into Idaho. The budworm, which feeds on new needles retarding tree growth, was last a major problem in Oregon forests from 1949 to 1958 when 4.4 million acres were affected. The latest budworm threat follows efforts to contain the damage of the mountain pine beetle and the Douglas fir tussock moth. Researchers intend to study the budworm problem and determine a course of action by spring. Alternatives run from doing nothing and allowing natural predators to solve the problem to spraying insecticide in order to eliminate the insect.
Medford	Jackson	International Memories, Inc.'s manufacturing plant located in the Medford Industrial Park in nearby White City will be expanding by 30,000 square feet this winter. The expanded floor space will be used to house production facilities for three new lines of IMI equipment. The new manufacturing facility is expected to begin production in January 1982 with an anticipated employment increase of 80 to 100 people. International Memories produces components and disc drives for the mini-computer market.
Antelope	Wasco	A ranch near this small community in Eastern Oregon has been purchased by the Chidrillas Rajneesh Meditation Center for a reported $6 million. The 68,000 acre ranch, which includes land in both Wasco and Jefferson Counties, was purchased in July. The land is currently being worked on and planted by the followers of Bhagwan Shree Rajneesh, a former resident of India and a guru of international reputation. Plans exist for the building of two 4,000 square foot buildings to serve as a school and medical facility, dining hall, and ranch office. Living quarters for ranch workers will be provided by mobile homes. The ranch managers have also obtained business permits to sell consumer and construction goods as well as material related to the teachings of Bhagwan Rajneesh.
Statewide		The Oregon Department of Revenue has mailed out more than a half million property tax relief checks. The tax relief checks totaled $117 million and were sent to all qualifying homeowners and renters. Under the Homeowner and Renter Refund Program (HAARP), checks were sent to 450,000 low and middle income homeowners and renters (those with household income below $17,500 a year). Another 70,000 checks were sent under the separate Renter Relief program to households with income over $17,500. Since the property tax relief program is funded by state income tax collections, the 1981 legislature for the first time authorized the Revenue Department to withhold or reduce property tax relief checks for payment of delinquent state income taxes. The department was able to collect approximately $1.2 million in late state taxes from 9,400 checks as a result of the legislature's authorization.
Statewide		The U. S. Department of Energy Appropriate Technology grant program will fund 13 renewable resource and conservation projects in Oregon for $191,000. The 13 projects were selected from among 454 applications submitted earlier this year. Projects accepted will tap a variety of resources including wind, solar, geothermal, water, methane gas, and solid waste. The largest grant ($45,000) will be used to build a methane plant on a chicken ranch in Oregon. Chicken manure and other waste will be used to produce enough methane to substitute for the farms annual consumption of 12,000 gallons of propane. Other grant projects range from a plan to design, build and test a solar-heated hardwood lumber dry kiln, to a plan to develop a beam trawl which will decrease the drag of the trawl and conserve from 20% - 25% of the fuel used on a shrimp fishing boat.
Beaverton	Washington	Nike Inc., the athletic shoe manufacturer based in Beaverton, has announced plans to establish an international joint venture. The new company will be known as Nike Japan and will have headquarters in Tokyo. Nike will maintain a 51% share of Nike Japan stock. Nissho Iwai, Japan's sixth largest trading company, will retain control over the remaining stock. Nike Japan is expected to begin marketing shoes and sports apparel by the first of the year.
Milwaukie	Clackamas	Omark Industries Inc. has announced plans to lay off 200 hourly workers and 40 salaried employes from its saw chain division. The layoff is the largest in the firm's history and is for an indefinite period. The action was blamed on poor foreign and domestic markets resulting from high interest rates and foreign exchange difficulties. Omark employes nearly 4,500 people worldwide with nearly 30% located in the Portland area. The current layoff is the third this year for the firm.